

**Creek County Rural Water District No. 1  
Kellyville, Oklahoma**

Financial Statements and Auditor's Reports

Year Ended December 31, 2016

Audited by

**SANDERS, BLEDSOE & HEWETT  
CERTIFIED PUBLIC ACCOUNTANTS, LLP**

BROKEN ARROW, OK

**Creek County Rural Water District No. 1**  
**Kellyville, Oklahoma**  
Board of Directors  
December 31, 2016

**BOARD OF DIRECTORS**

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**Vice-President**

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**DISTRICT MANAGER**

Gary McGuire

**PLANT MANAGER**

Mitch Conley

**OFFICE MANAGER**

Amy Pardus

**Creek County Rural Water District No. 1**  
**Kellyville, Oklahoma**  
December 31, 2016

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Creek County Rural Water District No. 1  
Kellyville, Oklahoma

We have audited the accompanying financial statements of the business-type activities of the Creek County Rural Water District No. 1 (the District), Kellyville, Oklahoma, as of and for the year ended December 31, 2016, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of December 31, 2016, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Sanders, Bledsoe & Hewett  
Certified Public Accountants, LLP

May 4, 2017

**RURAL WATER DISTRICT NO. 1, CREEK COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2016**

Our discussion and analysis of the Rural Water District No. 1, Creek County's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2016. Please read it in conjunction with the District's financial statements that begin on page 13.

**FINANCIAL HIGHLIGHTS:**

- The District's total operating revenues exceeded total operating expenditures by \$193,728. Overall, the District's total net position increased by \$244,515 in the current fiscal year.
- The District earned over \$12,000 in interest earnings during 2016.
- The Water Plant supplied a total of 461,000,000 gallons of water in 2016.
- The District sold 28 new taps in 2016, making a total of 2,558 total benefit units in the District.
- Improvements to the water system and engineering costs increased during 2016 as the District prepares for more water system improvements when funds become available.
- The District applied for a \$4,433,000 grant/loan program through USDA/Rural Development to improve and expand the water system.

**Using This Report**

This report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the District's basis of accounting.

**Basis of Accounting**

The District has elected to present its financial statements in the accrual basis of accounting. According to the accrual basis, revenues are recorded when earned and expenses are recognized when incurred. This policy is in accordance with generally accepted accounting principles.

**The Financial Statements**

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net position, and the

Statement of Cash Flows report information about the District and about its activities in a way that helps answer this question.

These three statements report the District's net position and the changes in them. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in water rates paid or charged and the condition of the District's water system, to assess the overall health of the District.

The District has only one type of fund or activity, which is defined as *Business-type activities*. This is considered a proprietary fund. This means the District charges a fee to customers to help it cover all or most of the cost of certain services it provides.

### **Net Position, and Changes in Net Position**

The District's Net Position was higher in 2016, increasing from \$4,817,636 to \$5,062,151, an increase of \$244,515. Looking at the Net Position and Net Expenses of business-type activities separately, however, two different stories can emerge. Our analysis below focuses on the Net Position (Table 1) and Changes in Net Position (Table 2) of the District's business-type activities.

**Table 1 – Net Position:**

	2016	2015	Variances
Current and other assets	\$ 1,793,091	1,438,343	354,748
Capital assets, net	3,317,615	3,432,473	(114,858)
Total Assets	<u>\$ 5,110,706</u>	<u>4,870,816</u>	<u>239,890</u>
Current liabilities	\$ 36,533	43,158	6,625
Long-term liabilities	12,022	10,022	(2,000)
Total Liabilities	<u>\$ 48,555</u>	<u>53,180</u>	<u>4,625</u>
Invest. In capital assets, net of related debt	\$ 3,317,615	3,432,473	(114,858)
Unrestricted	1,744,536	1,385,163	359,373
Total Net Position	<u>\$ 5,062,151</u>	<u>4,817,636</u>	<u>244,515</u>

Net Position of the District increased by 4.8 percent (\$5,062,151 compared to \$4,817,636). Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased from \$1,385,163 to \$1,744,536.

**Table 2 – Changes in Net Position:**

	2016	2015	Variances
Revenues:			
Charges for services	\$ 1,861,177	1,696,799	164,378
Sale of fixed assets	-	-	-
Proceeds from pension annuity	201,988	-	201,988
Other income and fees	39,156	34,872	4,284
Interest	12,517	15,192	(2,675)
Total Revenues	<u>\$ 2,114,838</u>	<u>1,746,863</u>	<u>367,975</u>
Expenses:			
Salaries, taxes and benefits	\$ 400,807	571,216	170,409
Maintenance and repairs	142,717	73,790	(68,927)
Chemicals	440,937	402,079	(38,858)
Other expenses	545,770	804,397	258,627
Depreciation	147,364	150,048	2,684
Pension distribution	192,728	-	(192,728)
Total Expenses	<u>\$ 1,870,323</u>	<u>2,001,530</u>	<u>131,207</u>
Changes in Net Position	244,515	(254,667)	499,182
Net Position, Beginning	<u>4,817,636</u>	<u>5,072,303</u>	<u>(254,667)</u>
Net Position, Ending	<u><u>\$ 5,062,151</u></u>	<u><u>4,817,636</u></u>	<u><u>244,515</u></u>

The District's total revenues increased by 21.1 percent (\$367,975). The total cost of all services decreased by 6.6 percent (131,207).

### **Fixed Assets**

At December 31, 2016, the District had \$3,317,615 invested in fixed assets, net of depreciation, including land, the water system, vehicles, equipment and lines. Additional fixed assets of \$32,506 were added during the 2016 fiscal year, including some water line improvements and a TOC analyzer.

### **Long-Term Debt**

The District had no outstanding long-term debt in 2016. A new loan from USDA/Rural Development for \$4,433,000 is in the final stages of approval, but no proceeds had been received at December 31, 2016.



### **Economic Factors and Next Year's Budget and Rates**

For the upcoming fiscal year ending December 31, 2017 the District's projected budget is fairly consistent with the 2016 fiscal year.

For the fiscal year 2017, the District may have to again increase rates to users to meet demands if the cost of water purchased and everyday expenses are substantially increased. If demand is increased on existing lines and equipment, or additional memberships are substantially increased, it may be necessary for the District to incur some long-term debt to meet these demands. As of the date of this report, none of these situations are probable for the 2017 year.

### **Contacting the District**

This report is designed to provide our customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the District Office at P.O. Box 406, Kellyville, OK 74039, or call (918) 247-6465.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Creek County Rural Water District No. 1  
Kellyville, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the Creek County Rural Water District No. 1 (the District), Kellyville, Oklahoma, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 4, 2017.

**Internal Control Over Financial Reporting**

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting in order to determine our auditing procedures that are appropriate for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified no deficiencies in the internal controls that we considered to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that

there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Sanders, Bledsoe & Hewett  
Certified Public Accountants, LLP

May 4, 2017

**CREEK COUNTY RURAL DISTRICT NO. 1**  
**Disposition of Prior Year's Significant Deficiencies**  
**December 31, 2016**

There were no prior year significant deficiencies.

**CREEK COUNTY RURAL WATER DISTRICT NO. 1**  
**Schedule of Audit Results**  
**December 31, 2016**

Section 1 – Summary of Auditor’s Results

1. An unmodified opinion report was issued on the financial statements.
2. The audit disclosed no significant deficiencies in the internal controls.
3. The audit disclosed no instances of noncompliance.

Section 2 – Findings relating to the financial statements required to be reported in accordance with GAGAS:

NONE

## **COMBINED FINANCIAL STATEMENTS**

**CREEK COUNTY RURAL WATER DISTRICT NO. 1**  
**Statement of Net Position**  
**December 31, 2016**

**ASSETS**

Current assets:

Cash	\$ 451,570
Investments	1,109,800
Accounts receivable	90,391
Accrued interest receivable	3,201
Inventory	100,384
Prepaid expenses	37,745
Total current assets	<u>1,793,091</u>

Noncurrent assets:

Fixed assets-

Land	8,249
Plant and distribution system, net of depreciation	3,210,006
Trucks and equipment, net of depreciation	41,033
Office building, net of depreciation	15,445
Office furniture and equipment, net of depreciation	5,531
Other equipment, net of depreciation	37,351
Total noncurrent assets	<u>3,317,615</u>

Total Assets	<u>5,110,706</u>
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**LIABILITIES**

Current liabilities:

Accounts payable	36,533
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Noncurrent liabilities:

Refundable deposits	<u>12,022</u>
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Total Liabilities	<u>48,555</u>
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**NET POSITION**

Invested in capital assets, net of related debt	3,317,615
Unrestricted assets	<u>1,744,536</u>
Total Net Position	<u>\$ 5,062,151</u>

The accompanying notes to the financial statements are an integral part of this statement

**CREEK COUNTY RURAL WATER DISTRICT NO. 1**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For The Year Ended December 31, 2016**

**Operating Revenues:**

Water sales	\$ 1,775,470
Late charges	29,039
Installations and connections	27,668
Other income and fees	39,156
Total revenues from operations	<u>1,871,333</u>

**Operating Expenses:**

Backhoe and hauling	22,203
Chemicals	440,937
Professional fees	67,638
Fittings, meters and connections	85,376
Franchise and storage	20,181
Insurance, general	49,156
Insurance, group	160,091
Office	38,419
Maintenance and repairs	142,717
Retirement	62,746
Salaries and taxes	338,061
Automobile	13,762
Utilities	88,944
Depreciation	147,364
Total expenses from operations	<u>1,677,595</u>

Operating Income (Loss)	193,738
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**Non-Operating Revenues (Expenses):**

Interest income	12,517
Benefit units	29,000
Proceeds from pension annuity	201,988
Pension distribution	(192,728)
Total non-operating revenues (expenses)	<u>50,777</u>

Change in Net Position	244,515
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Total Net Position, beginning of period	<u>4,817,636</u>
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Total Net Position, end of period	<u><u>\$ 5,062,151</u></u>
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The accompanying notes to the financial statements are an integral part of this statement



**CREEK COUNTY RURAL WATER DISTRICT NO. 1**  
**Statement of Cash Flows**  
**For Year Ended December 31, 2016**

**Cash Flows from Operating Activities:**

Receipts from customers	\$ 1,875,570
Payments to employees	(338,061)
Payments to vendors	(1,181,272)
Net Cash Provided by Operating Activities	<u>356,237</u>

**Cash Flows from Non-Capital Financing Activities:**

Refundable deposits	2,000
Proceeds from pension annuity	201,988
Additions to fixed assets	(32,506)
Pension distribution	(192,728)
Net cash provided by (used in) non-capital financing activities	<u>(21,246)</u>

**Cash Flows from Investing Activities:**

Benefit units	29,000
Interest revenue	12,507
Net cash provided by (used in) investing activities	<u>41,507</u>

Net Increase (Decrease) in Cash and Equivalents 376,498

Cash and cash equivalents, beginning of period 1,184,872

Cash and cash equivalents, end of period \$ 1,561,370

**Reconciliation of operating income (loss) to net cash provided by operating activities:**

Operating Income (loss)	\$ 193,738
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation Expense	147,364
(Increase) decrease in accounts receivable	4,237
(Increase) decrease in inventory	22,446
(Increase) decrease in prepaid expenses	(4,923)
Increase (decrease) in accounts payable	(6,625)

Net Cash Provided by Operating Activities \$ 356,237

The accompanying notes to the financial statements are an integral part of this statement

**CREEK COUNTY RURAL WATER DISTRICT NO. 1**  
**Notes to Financial Statements**  
**December 31, 2016**

**Note A – Significant Accounting Policies**

Organization

Creek County Rural Water District No. 1 (the District) is an Oklahoma non-profit water district organized under Title 82 of Oklahoma Statutes to provide water service to rural residents of Creek County, Oklahoma. The District is considered a political subdivision of the State of Oklahoma.

Basis of Accounting

The accrual basis of accounting is followed for all accounts. Revenues are recorded when earned and liabilities are recognized when incurred. This policy is in accordance with generally accepted accounting principles. The District has also complied with GASB Statement No. 34 financial reporting requirements.

Cash

The District's accounts are with the American Heritage Bank, Sapulpa, Oklahoma, and are detailed as follows:

	December 31,	
	2016	2015
Cash on hand	\$ 300	300
Petty cash	300	300
Operation and Maint. Account	438,962	105,944
Pension Plan Account	12,381	3,121
Add: Deposits in transit	-	-
Less: Outstanding checks	(373)	(22,670)
Total	<u>\$ 451,570</u>	<u>86,995</u>

Cash and Cash Equivalents

For the purposes of preparing the statement of cash flows, cash on hand, reconciled cash in savings and checking, and certificates of deposit that can be converted into cash (if necessary) are considered cash equivalents.

**CREEK COUNTY RURAL WATER DISTRICT NO. 1**  
**Notes to Financial Statements**  
**December 31, 2016**

**Note A – Significant Accounting Policies – cont'd**

**Investments**

The District had the following outstanding investments at December 31, 2016:

Spirit Bank-	
Certificate of Deposit no. 300110162	\$ 30,620
Certificate of Deposit no. 300099099	59,448
Certificate of Deposit no. 300111332	28,971
Certificate of Deposit no. 300135785	61,123
Certificate of Deposit no. 300022204	86,728
Community Bank-	
Certificate of Deposit no. 23341	207,186
Certificate of Deposit no. 23351	66,853
BancFirst-	
Certificate of Deposit no. 331000112	235,435
American Heritage Bank-	
Savings Account no. 100212117	42,856
Certificate of Deposit no. 100002979	125,252
Certificate of Deposit no. 100003141	165,328
Total Investments	<u>\$ 1,109,800</u>

**Accounts Receivable**

Billings for accounts receivable at December 31, 2016 were \$90,391. Allowance for doubtful accounts was not computed on this balance because uncollectibles do not have a material effect on the balance sheet.

**Collateral Pledged**

All District funds were adequately insured by \$250,000 FDIC or other secured collateral as of December 31, 2016.

**CREEK COUNTY RURAL WATER DISTRICT NO. 1**  
**Notes to Financial Statements**  
**December 31, 2016**

**Note A – Significant Accounting Policies – cont'd**

**Fixed Assets**

Any items purchased or constructed in excess of \$1,000 and has a useful life of over two years is considered a fixed asset by the District, and will be depreciated over a specific time. The fixed asset information for the District is shown below:

	12/31/2015			12/31/2016
	Amount	Additions	Deletions	Amount
Land	\$ 8,249	-	-	8,249
Plant and dist. system	6,166,520	13,725	-	6,180,245
Trucks and equipment	224,195	-	-	224,195
Office building	95,789	-	-	95,789
Office furn. & equip.	35,704	-	-	35,704
Other equipment	95,743	18,781	-	114,524
Total Fixed Assets	6,626,200	32,506	-	6,658,706
Less: Accumulated Depreciation	(3,193,727)	(147,364)	-	(3,341,091)
Total	\$ 3,432,473	(114,858)	-	3,317,615

**Federal Income Tax**

The District is exempt from Federal and State income taxes.

**Accumulated Unpaid Vacation and Sick Pay**

At December 31, 2016, no determination of the aggregate dollar value of vacation or sick pay had been made.

**Note B – Long-Term Debt**

The District had no outstanding long-term debt in 2016.

**CREEK COUNTY RURAL WATER DISTRICT NO. 1**  
**Notes to Financial Statements**  
**December 31, 2016**

**Note C – Insurance and Surety Bond Coverage**

The District appears to have had adequate insurance to cover all major perils at December 31, 2016.

**Note D – Retirement Plan**

The District has a noncontributory defined benefit pension plan covering all employees 20.5 years old after six months of employment. Plan benefits are 2% of compensation times years of service. Minimum retirement age is 65, minimum years of participation is five years. The plan pays a pre-retirement death benefit that is the greater of the insurance or the present value of the accrued benefit. Vesting is; 2 years – 20%, 3 years – 40%, 4 years – 60%, 5 years – 80%, 6 years – 100%. Funding of the pension plan is through individual insurance and annuity contracts. The actuarial assumptions used to compute contributions are the same as used to compute pension obligations. For the plan year ended February 28, 2016 the total payroll was \$345,939, the total payroll for participants was \$280,223. Contributions to the plan were \$131,741, or 47.0% of payroll.

Accumulated plan benefits and net assets available for plan benefits for the plan year ended February 28, 2016, the most recent benefit information date, was as follows:

Net assets available for plan benefits	\$ 704,305
Less: Vested accumulated benefits	<u>451,151</u>
Pension assets in excess of benefit obligations	<u>\$ 253,154</u>

**Note E – Subsequent Events**

The District has applied for a grant/loan program through USDA/Rural Development to improve and expand the water system. If approved, the District will receive a grant not to exceed \$1,484,000 and a loan not to exceed \$2,949,000. The loan will be repaid over a 40 year period.

## **OTHER SUPPLEMENTARY INFORMATION**

CREEK COUNTY RURAL WATER DISTRICT NO. 1  
Balance Sheet  
December 31, 2016

	DECEMBER 31,	
	2016	(memo only) 2015
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 451,570	86,995
Investments	1,109,800	1,097,877
Accounts receivable	90,391	94,628
Accrued interest receivable	3,201	3,191
Inventory	100,384	122,830
Prepaid expenses	37,745	32,822
Total current assets	<u>1,793,091</u>	<u>1,438,343</u>
Fixed Assets:		
Land	8,249	8,249
Plant and distribution system	6,180,245	6,166,520
Trucks and equipment	224,195	224,195
Office building	95,789	95,789
Office furniture and equipment	35,704	35,704
Other equipment	114,524	95,743
Total fixed assets	<u>6,658,706</u>	<u>6,626,200</u>
Less: accumulated depreciation	<u>(3,341,091)</u>	<u>(3,193,727)</u>
Total fixed assets (net)	<u>3,317,615</u>	<u>3,432,473</u>
Total Assets	<u>\$ 5,110,706</u>	<u>4,870,816</u>
<u>LIABILITIES AND FUND EQUITY</u>		
Current Liabilities:		
Accounts payable	\$ 36,533	43,158
Refundable deposits	12,022	10,022
Total current liabilities	<u>48,555</u>	<u>53,180</u>
Fund Equity:		
Benefit units	1,201,505	1,172,505
Retained earnings	3,860,646	3,645,131
Total Fund Equity	<u>5,062,151</u>	<u>4,817,636</u>
Total Liabilities and Fund Equity	<u>\$ 5,110,706</u>	<u>4,870,816</u>

**CREEK COUNTY RURAL WATER DISTRICT NO. 1**  
**Statement of Revenue, Expenses and Changes in Retained Earnings**  
**For Year Ended December 31, 2016**

	2016	(memo only) 2015
Revenue from Operations:		
Water sales	\$ 1,775,470	1,630,115
Late charges	29,039	27,214
Installations and connections	27,668	8,270
Other income and fees	39,156	34,872
Total revenue from operations	<u>1,871,333</u>	<u>1,700,471</u>
Expenses from Operations:		
Backhoe and hauling	22,203	69,106
Chemicals	440,937	402,079
Professional fees	67,638	260,312
Fittings, meters and connections	85,376	142,378
Franchise and storage	20,181	24,213
Insurance, general	49,156	48,634
Insurance, group	160,091	113,433
Office	38,419	19,064
Maintenance and repairs	142,717	73,790
Retirement	62,746	166,616
Salaries and taxes	338,061	404,600
Automobile	13,762	20,934
Utilities	88,944	106,323
Depreciation	147,364	150,048
Total expenses from operations	<u>1,677,595</u>	<u>2,001,530</u>
Net Income (Loss) from Operations	193,738	(301,059)
Other Income:		
Interest earnings	12,517	15,192
Proceeds from pension annuity	201,988	0
Total other income	<u>214,505</u>	<u>15,192</u>
Other Expenses:		
Pension distribution	<u>192,728</u>	<u>0</u>
Net Income (Loss)	215,515	(285,867)
Retained earnings, beginning of period	<u>3,645,131</u>	<u>3,930,998</u>
Retained earnings, end of period	<u><u>\$ 3,860,646</u></u>	<u><u>3,645,131</u></u>